

TONBRIDGE & MALLING BOROUGH COUNCIL
FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

08 January 2020

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Information

1 REVENUES AND BENEFITS UPDATE REPORT

A report detailing recent developments in respect of council tax, business rates, council tax reduction and housing benefits.

1.1 Collection of council tax and business rates

- 1.1.1 As at 30 November 2019, the collection rate for council tax stood at 74.37%. For the same period in the year 2018/19, the collection rate was 74.44%.
- 1.1.2 As at 30 November 2019, the collection rate for business rates stood at 75.91%. For the same period in the year 2018/19, the collection rate was 75.95%.
- 1.1.3 I shall update Members, as to the collection rates for 2019/20, as at 31 December 2019, for both council tax and business rates, on the evening of the meeting.
- 1.1.4 In respect of the working age customers receiving a council tax reduction (CTR), approximately 93% of the council tax due for the period 2013/14 to 2018/19 has been paid.
- 1.1.5 For the current financial year, approximately 55% has been paid compared to 59% for the comparative period in the previous financial year. We are continuing to monitor this closely as collection rates can fluctuate throughout the year; however, it does appear that, for the first time since the CTR scheme started, our taxpayers are finding it difficult to maintain their payments.
- 1.1.6 The number of recovery notices issued this financial year is approximately 18% higher than the amount issued in 2018/19 - see **[ANNEX 1]**. I believe this is linked to the issue mentioned in 1.1.5, but overall, the collection rate is much the same as it was this time last year.

1.2 Council Tax Base for the year 2020/21

- 1.2.1 I attach, at **[ANNEXES 2 and 3]**, the council tax base for the financial year 2020/21. This shows that there are 51,371.02 Band D equivalent properties within the Borough.

- 1.2.2 Members should note that, compared to the tax base for the year 2019/20 (50,820.61 Band D equivalent properties), there has been an increase of approx. 1.1% in the overall tax base for the Borough.
- 1.2.3 This increase is a combination of fewer taxpayers claiming Council Tax Reduction, growth in the number of new properties and the proposed changes to the long term empty property premium which have been incorporated pending Members' decision.
- 1.2.4 The Council is required to set its tax base for the forthcoming financial year, and notify it to the major precepting authorities, during the period 1 December to 31 January. Members will recall that, at the time of reporting the tax base for the year 2005/06, they agreed to give me delegated authority to calculate the tax base for subsequent years.

1.3 Performance and Workload of the Benefits Service

- 1.3.1 The average number of days to process new claims for housing benefit and council tax reduction for the year to 17 December was 10.4. It took on average 2.8 days to process changes to existing claims. Our performance is on a par with that of last year.
- 1.3.2 The overall number of households assisted with council tax reduction remains stable, again keeping to the trend of a slight fall in pension age households and equivalent rise in working age. 'Pensioners' now represent 40% of the total caseload.
- 1.3.3 The number of households helped by housing benefit continues to fall following the introduction of Universal Credit (UC) full service in November 2018. The working age housing benefit caseload has fallen by 1098 as at 1 December 2019. Certain changes in circumstances can trigger the transition from housing benefit to UC, accounting for the much of the decrease in numbers. At some point prior to 2024 the remaining housing benefit working age caseload will be transferred in bulk to UC. We have yet to learn when the migration will take place
- 1.3.4 Our Discretionary Housing Payment (DHP) fund has a balance remaining of £60,000 as at 17 December. The total fund for the year is £208,000. So far, DHP has been used for 102 households to directly prevent evictions or facilitate moves to affordable homes. A further 32 households have been assisted with top-up payments to provide short term financial help.

1.4 Legal Implications

- 1.4.1 Nil.

1.5 Financial and Value for Money Considerations

- 1.5.1 The percentage of council tax and business rates collected during the year impacts on the Council's finances and, consequently, on the level of council tax for future years.

1.6 Risk Assessment

- 1.6.1 Nil.

1.7 Equality Impact Assessment

- 1.7.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users at this point.

1.8 Policy Considerations

- 1.8.1 Community

- 1.8.2 Customer Contact

Background papers:

1. In respect of the collection of council tax and business rates, data held within Financial Services.

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